

HEADQUARTERS
UNITED STATES EUROPEAN COMMAND
Unit 30400
APO 09131-0400

DIRECTIVE
NUMBER 61-1

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CONSTRUCTION

NATO Security Investment Program (NSIP) Management

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1. **Summary.** This Directive defines HQ EUCOM responsibilities and procedures for USEUCOM and Components Commands for management and participation in the NSIP.
 2. **Applicability.** This Directive applies to HQ USEUCOM directorates/staff offices, the Components, and the DoD Contract Construction Agencies (CCAs) operating within the Unified Command Plan geographic area assigned to the U.S. European Command.
 3. **Internal Control Systems.** This Directive contains no internal control provisions and is not subject to requirements of the internal management control program. For HQ USEUCOM and subordinate joint activities, the applicable internal control directive is ED 50-8, Internal Management Control Program.
 4. **Suggested Improvements.** ECJ4-EN is the proponent for this Directive. Please forward suggested improvements HQ USEUCOM, ATTN: ECJ4-EN, Unit 30400, APO AE 09131-0400.
 5. **References.**
 - a. DoD Directive 2010.5, DoD Participation in the NATO Infrastructure Program, 24 June 1992.
 - b. HQ USEUCOM Directive 61-4, Military Construction/Engineering in the USEUCOM Area of Responsibility, 6 April 1998.
 - c. Bi-Strategic Command (Bi-SC) Directive 85-1, NATO Security Investment Programme Management, September 2001.
 6. **Background.**
 - a. The NATO Security Investment Program provides a means for operational facilities with a high degree of common interest, needed by NATO committed forces to fulfill a NATO role, to be constructed with common funds contributed by NATO members. Projects in the infrastructure program are limited to the minimum military requirement needed to accomplish the NATO assigned mission.

b. Reference (a) provides the basic guidance and instructions for DoD participation in the NSIP Program. The Joint Chiefs of Staff (JCS), in conjunction with the Unified Commands and Military Departments, exercise responsibility for military review and guidance to the U.S. Mission to NATO (USMN) for implementation of U.S. military policy.

c. Reference (b) provides the HQ USEUCOM guidance and instructions for military construction and engineering procedures.

d. Reference (c) is the NATO directive describing the programming process for participation in the NSIP program. Key concepts and procedures defined include:

- (1) The Capability Package (CP) principles, development and submission.
- (2) Other project programming procedures (Urgent Requirements, Stand Alone Projects, and Minor Works).
- (3) Project implementation (including pre-financing statements) and project acceptance.
- (4) Maintenance and inspections of NATO-funded infrastructure.
- (5) Infrastructure change of use and deletion from the NATO inventory.
- (6) Eligibility and procedures for projects in support of NATO crisis operations.
- (7) Glossary of terms, acronyms, and source documents for the NSIP.

7. **Explanation of Terms.**

a. Annex A to Reference (c), the Bi-SC Directive 85-1, NSIP Management, contains a full listing and explanation of NSIP terms.

b. DoD Contract Construction Agencies (CCAs): Agencies responsible for construction/engineering management. Regional CCAs responsibilities for USEUCOM are outlined in Appendix 2 to Reference (b).

c. Project Status Categories. Listed below are the project status categories to be used to track projects through the NSIP process (from start to finish).

- (1) Forecast: Project in U.S. planning not yet accepted as a NATO requirement.
- (2) Planning: Project in NATO Strategic/Regional CP Development.
- (3) Programming: Project in a CP at NATO HQ for screening and approval.
- (4) Approved: Project in a North Atlantic Council (NAC) or Defense Planning Council (DPC) approved CP or approved as a Stand Alone Project.

(5) Design: Project Advance Planning Funds (APF) authorized by the NATO Infrastructure Committee (IC).

(6) Confirmation: Project authorization awaiting confirmation from one or more nations in the NATO IC.

(7) Authorized: Project Scope fully authorized by the NATO IC.

(8) Completed: Project construction completed awaiting Joint Final Acceptance Inspection (JFAI).

(9) Accepted: Project JFAI complete and accepted in the NATO inventory.

(10) Deleted: Infrastructure deleted from the NATO inventory.

d. Recoupment: Reimbursement to the U.S. for prefinanced work. Prefinanced works are normally recouped from the host nation with the funds deposited into the NSIP MILCON account managed by USAREUR Deputy Chief of Staff Resource Management (DCS RM) NATO Resource Support Branch. However, funds for prefinanced works may also be “recouped” as follows:

(1) Direct Funded: Project funded directly by the NSIP. Although the project was prefinanced, U.S. funds were not expended before NATO IC project authorization.

(2) Paysheet Offset: Project costs deducted from any outstanding expenses owed by the U.S. USAREUR DCS RM agrees to and manages all offsets.

8. Policy.

a. Facilities and equipment required to support U.S. NATO assigned forces and NATO operational plans will be funded, to the maximum extent possible, through the NSIP Program.

b. U.S. requirements will be met by common funding to the fullest extent permitted by agreed NATO criteria and standards. Construction program managers at all levels will review construction programs for NATO eligibility before committing U.S. funds.

c. Pre-financing of projects eligible for NSIP funding will be limited to projects with a valid military urgency. When pre-financing is used, the NATO IC must note a pre-financing statement before contract award.

d. The following guidance should be applied to facilities and infrastructure eligible for NSIP funding or identified on the NATO inventory:

(1) Maintenance of NATO facilities is the responsibility of the user nation. However, restoration, repair and new construction projects to bring infrastructure and/or facilities into good working order will be submitted for NSIP funding.

(2) Modification of facilities listed on the NATO inventory for non-NATO use must receive NATO approval prior to undertaking any changes.

(3) Removal or disposal of facilities and equipment from the NATO inventory must receive NATO approval prior to any removal action.

9. **Responsibilities.**

a. HQ USEUCOM will:

(1) Review U.S. input to the NATO Defense Planning Questionnaire response and Force Goal documents and provide input to ECJ5S relevant to NSIP as required.

(2) Review NATO Strategic Commands (SCs) Annual CP Guidance. Support U.S. inputs to the NATO SCs and subordinate commands for CP development, project justification documents and facility inspections.

(3) Provide comments for consideration at NATO SCs and Regional Commands (RCs) on infrastructure related matters.

(4) Coordinate an over-arching CP review process to include policy guidance for integrated joint planning and long-range infrastructure facilities requirements with the Components, and DoD Agencies.

(5) Provide guidance to the Components on project eligibility and instructions to ensure consideration and inclusion of projects for NATO funding.

(6) Review the Components' project pre-financing statements (PFS). Endorse PFS to the USMN for presentation to the NATO IC.

(7) Review infrastructure criteria and standards. Based on technical advice from the Components, provide U.S. comments on draft infrastructure criteria and standards.

(8) Provide NSIP training to component command personnel, as requested.

(9) Co-chair quarterly NSIP working group meetings with USMN, with attendees from USAFE, USAREUR, USNAVEUR, SOCEUR, Iceland Defense Force, U.S. Forces Azores and CCAs to discuss status of U.S. projects, CPs that benefit the U.S., pre-financing statements and status of associated recoupment.

(10) Represent the U.S. at NATO SC and RC NSIP conferences and workshops.

(11) Coordinate with USMN on actions that affect policy or address theater wide issues.

(12) Maintain a database of NSIP funded projects of U.S. interest.

b. The Components will:

(1) Exercise primary responsibility for programming and execution of infrastructure programs to ensure maximum use of the NSIP to satisfy facility requirements. Sub-Unified Commands will coordinate actions with the appropriate U.S. executive agency.

(2) Maintain direct liaison with host nations, USMN (on routine project matters), the SCs and the RCs to provide documentation, advice, comments, recommendations, or other assistance required to protect or enhance U.S. interests in infrastructure projects.

(3) Keep HQ USEUCOM informed of actions taken on important matters concerning infrastructure during programming and implementation. Provide 120-day notice of closure to any operational capability (i.e. runway closure for resurfacing).

(4) Refer to HQ USEUCOM those matters that cannot be satisfactorily resolved with the SCs, RCs, or host nations, and where further action by HQ USEUCOM with the SCs, USMN, U.S. Delegate to the Military Committee (USDELMC) or JCS is desired.

(5) When required, initiate pre-financing actions for all MILCON and Operations and Maintenance projects supporting a NATO Military Function (MF).

(6) Document pre-financing and recoupment actions to ensure that funds are recouped at the earliest possible date.

(7) Maintain all documentation pertaining to expenditure of U.S. pre-financed funds in a permanent file until fiscal close out of the project by the International Board of Auditors.

(8) Within 1 year of the JFAI submit all pertinent documents to USACE, and send a message to all NSIP working group members stating such.

(9) Review recoupment status and provide updates to the appropriate CCA.

(10) Program U.S. portion of conjunctively funded projects to coincide with approval of NATO infrastructure funding.

(11) Provide maintenance and accountability of NATO facilities and equipment provided for U.S. user requirements.

(12) Attend quarterly NSIP working group meetings and provide the following information to each working group member:

(a) Current year NSIP Program

(b) Future 2 years NSIP Program

Status of all outstanding prefinance statements and recoupments.

10. Capability Packages.

a. A CP is a combination of national and NATO funded infrastructure, operations and maintenance cost, manpower, and associated costs, which, taken together with the military forces and other essential requirements, enable a NATO commander to achieve a specific military required capability.

b. The SCs determine which CPs are required. CPs development involves the staffs at the SCs, RCs, HQ NATO, NATO Agencies as well as the user and host nations. The process flow chart is at Appendix A.

c. The Components will work with the SCs and RCs to ensure U.S. military requirements are considered in the CP development process. The Components will ensure all U.S. infrastructure requirements eligible for NATO common funding are included in an appropriate CP.

d. The Components will assist the HN in the preparation of Project Data Sheets (PDS). When acting as the HN, the Components will complete the PDS and forward the appropriate NATO command.

11. Project Pre-financing.

a. Due to the urgency of some projects, the U.S. may decide to initially fund works that may be eligible for NSIP funding and seek recoupment later. In order to be eligible for recoupment, nations are required to submit a pre-financing statement (PFS) to the NATO IC. The project pre-financing process flow chart is at Appendix B.

b. The decision to pre-finance a NATO eligible project results in a requirement for dual project programming by the Component. The Components program a national project just as any other national project observing all approval levels and procedures. At the same time, a NATO requirement must be included in a CP observing all the procedures and requirements of the NATO system. Recoupment of funds for prefinanced works cannot occur until NATO agrees the project satisfies a valid NATO military requirement and is included in a CP.

c. Requests for pre-financing should reach HQ USEUCOM/ECJ4-EN 60 days before contract award for timely notification to the NATO IC by the USMN. The Components will get host nation approval before submitting the pre-finance request to HQ USEUCOM/ECJ4-EN.

d. The Components must ensure that the construction contract is not awarded until the IC has noted the PFS. If the construction contract is awarded before IC notes the U.S. intent to pre-finance, the U.S. may lose all rights to recoup funds expended for the project.

e. The Components will track all prefinanced projects and provide updates at the quarterly review meetings. The following information is required to be tracked:

- (1) U.S. Project Number.

- (2) NATO Project Number (if applicable).
- (3) USMN PFS Reference Number and Date.
- (4) NATO IC Decision Sheet in which the PFS was noted.
- (5) Pre-financed Amount
- (6) Estimated Amount of Recoupment
- (7) Estimated Date of Recoupment
- (8) Status (design, construction, TCCE preparation, JFAI, etc.)
- (9) Comments (likelihood of recoupment, event to trigger recoupment, etc.)

12. **Project Implementation.**

- a. The project implementation process flow chart is at Appendix C. The process starts with an approved project (either included in an approved CP or an approved Stand Alone Project).
- b. The Components, acting as the user nation, will coordinate all requirements with the host nation. When agreed by the host nation, the U.S. may take on host nation responsibilities.
- c. Design and contractual actions with the host nation for conjunctively funded projects must be completed before solicitation for bids.

13. **Urgent Requirements Process.**

- a. Bi-SC Directive 85-1 (reference c) defines Urgent Requirements (UR) as "military requirements, in line with the guidelines for common funding, that for reasons of urgency, based on operational, safety, economic or environmental considerations, cannot await the CP or Stand Alone Project procedures, and need to be implemented promptly in order to ensure operational capability".
- b. Typically supported reasons for an UR project are acts of man (e.g. terrorist actions, accidents), acts of nature or "Force Majeure" (e.g. earthquakes, storms, floods or other natural disasters), and un-observable deterioration, which has resulted in sudden failure (e.g. ruptured pipeline or deteriorated buried electrical cabling). Observable, slow deterioration of facilities is not sufficient reasoning for urgency.
- c. The UR process is shown at Appendix D. The Components will coordinate with the host nation, the NATO International Staff and appropriate SC prior to any UR project submission.

14. **Minor Works Process.**

- a. A Minor Works (MW) project is a discrete, straightforward, self-standing and completely usable project that is not part of a currently proposed project and not part of the planning, design

or consultation associated with a larger project or a CP. The ceiling for MW projects is currently EUR 500,000. This includes all associated costs such as National Administrative Expenses (NAE), Architectural Engineering Fees (A/E) and project engineering contingencies.

b. MW projects can be submitted at any time and will be considered for approval independent of the CP program, thereby allowing accelerated project authorisation.

c. The MW process flow chart is at Appendix E. The Components, acting as the user nation, will coordinate MW requirements with the host nation. When agreed by the host nation, the U.S. may take on host nation responsibilities.

d. After construction completion, NATO MW projects normally receive a “simplified” Joint Formal Acceptance Inspection (the on-site inspection is waived). The final acceptance report preparation and processing are the same as for regular NSIP projects.

15. **Project Acceptance Process.**

a. The NATO project acceptance process flow chart is at Appendix 6.

b. When construction is complete, the host nation accepts the facility from the contractor and the Component accepts the facility for U.S. beneficial occupancy. The host nation will then submit a request for a Joint Formal Acceptance Inspection to the NATO International Staff.

FOR THE COMMANDER:

OFFICIAL:

JOHN B. SYLVESTER
Lieutenant General, USA
Chief of Staff

RICKEY K. WILLIAMS
LTC, USA
Adjutant General

APPENDIXES

- A - Capability Package (CP) Process
- B - Pre-Financing Process
- C - Project Implementation Process
- D - Urgent Requirements Process
- E - Minor Works Process
- F - Project Acceptance Process

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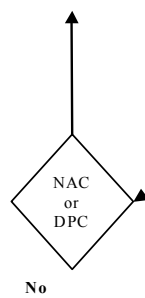
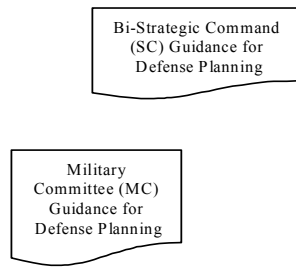
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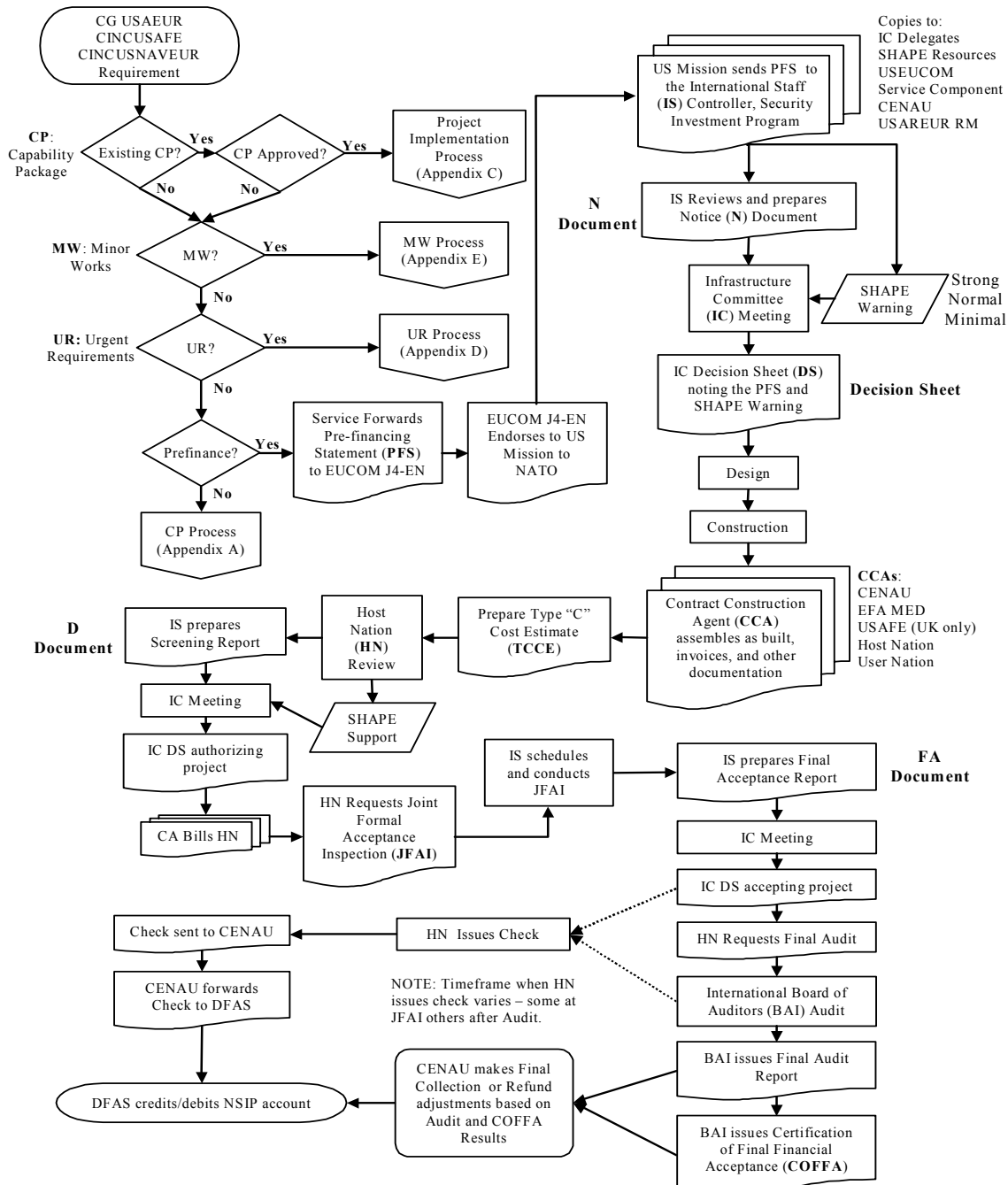
APPENDIX A

Capability Package (CP) Process



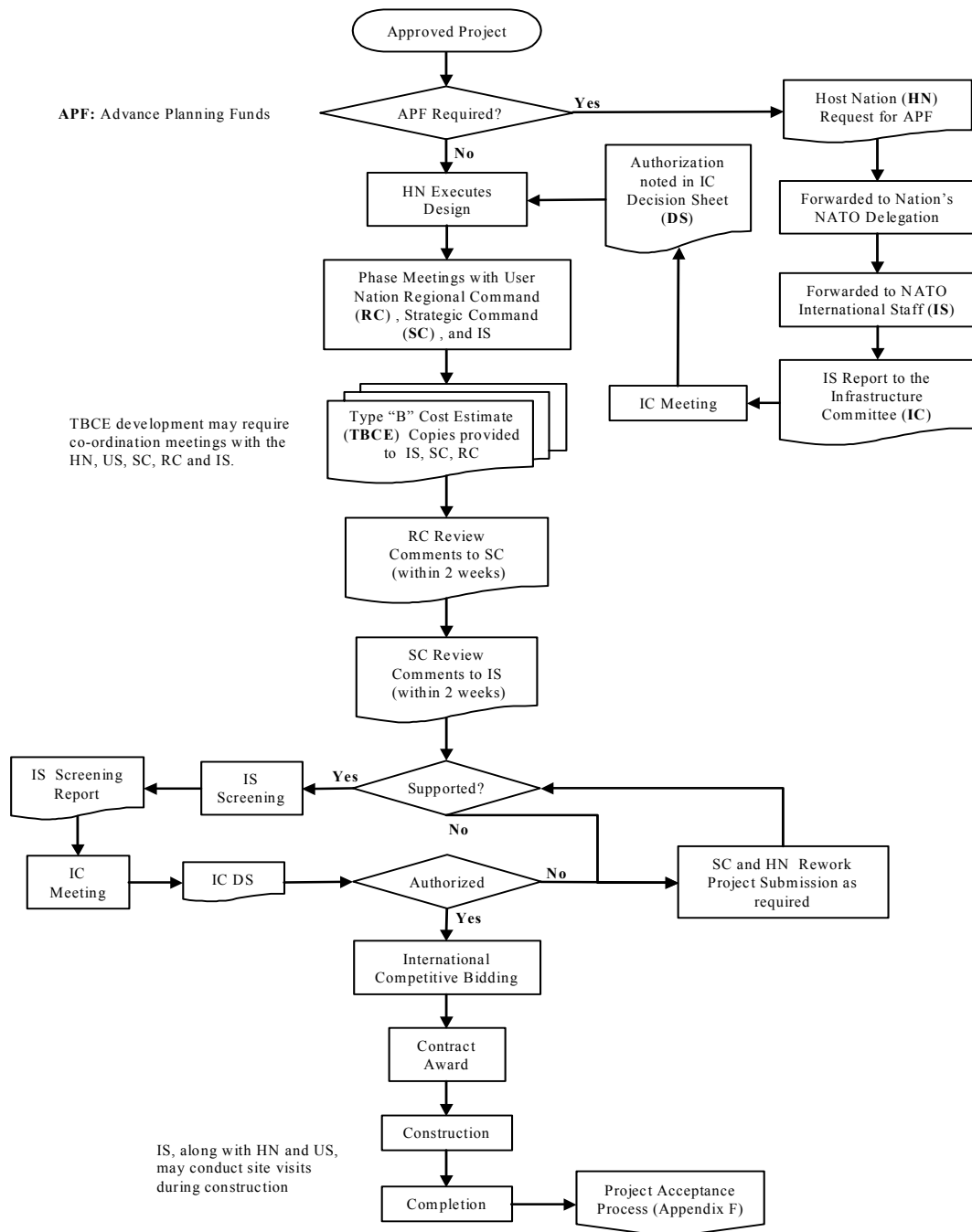
APPENDIX B

Pre-Financing Process



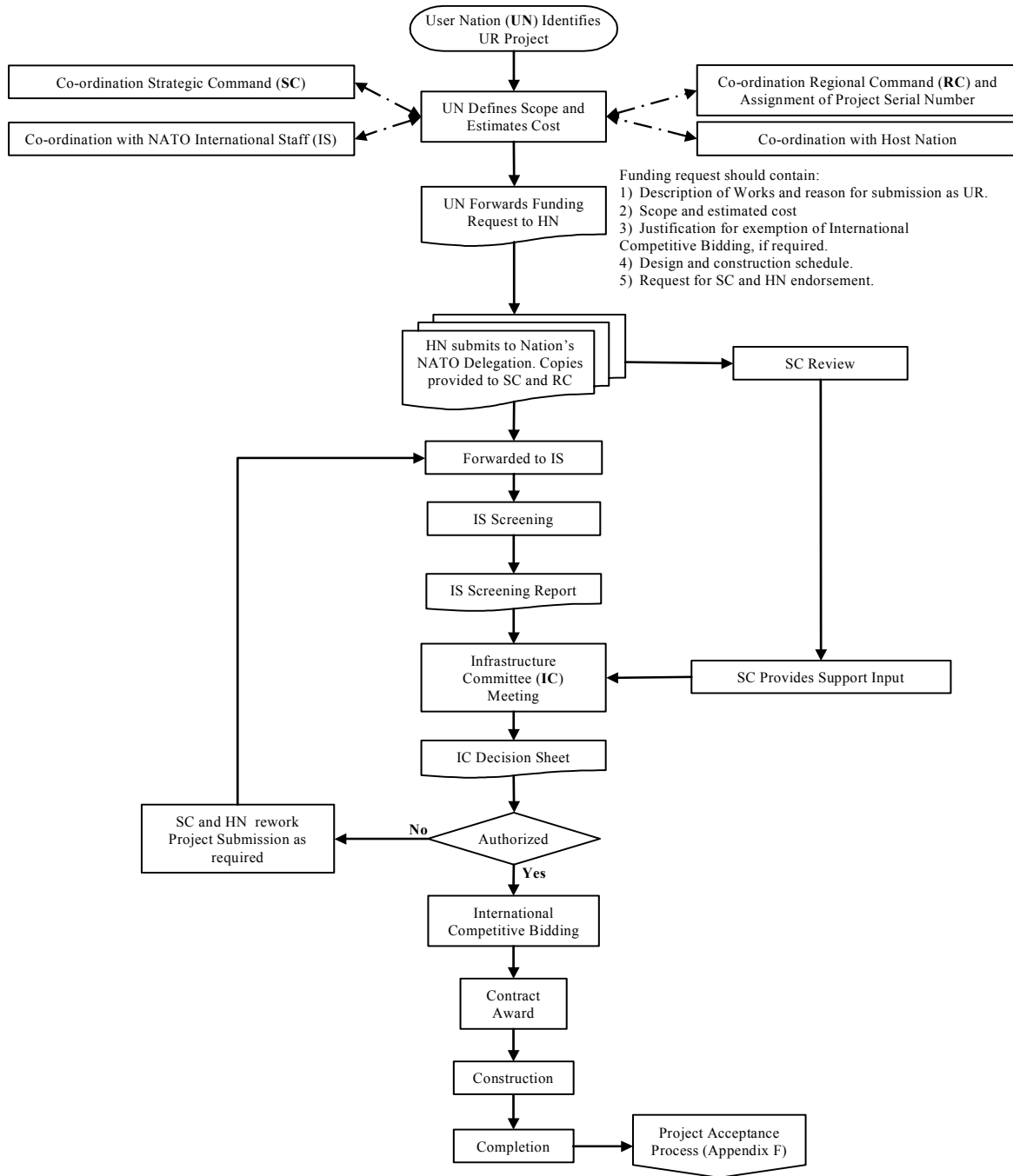
APPENDIX C

Project Implementation Process



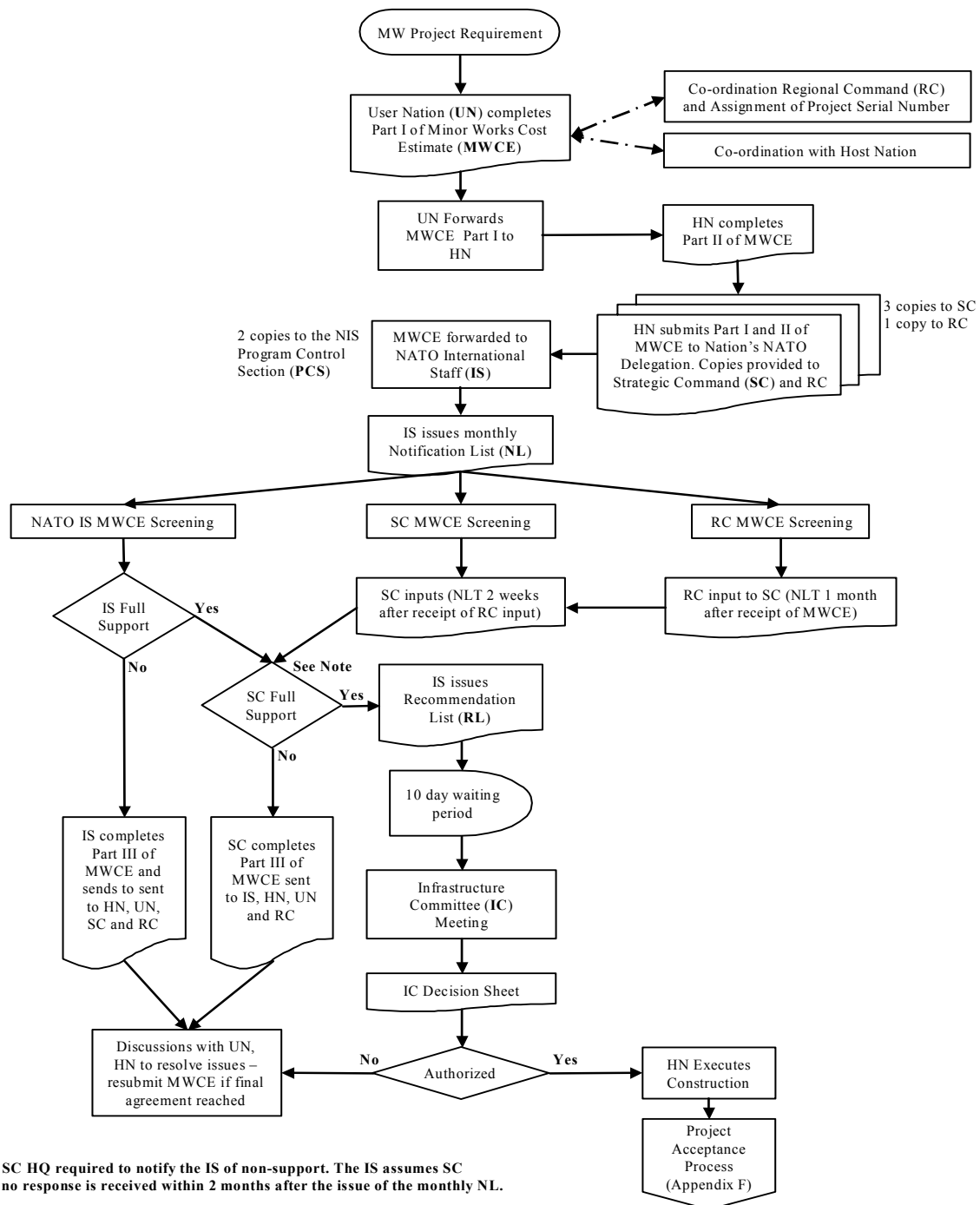
APPENDIX D

Urgent Requirements Process



APPENDIX E

Minor Works Process



APPENDIX F

Project Acceptance Process

